



Capital One, N.A. 631-577-5956
265 Broadhollow Road
PO Box 8913
Melville, NY 11747

May 5, 2009

VIA FEDERAL EXPRESS

Lehman Brothers Holdings, Inc.
745 Seventh Avenue
New York, New York 10019
Attn: Bryan P. Marsal
Chief Restructuring Officer

Re: (i) \$24,100,000 First Mortgage Loan (the "First Mortgage Loan") made by Capital One, N.A., successor by merger to North Fork Bank ("Lender"), to New Central Avenue, LLC ("Borrower"); (ii) \$43,100,000 Building Loan (the "Building Loan") made by Lender to Borrower and (iii) \$9,200,000 Project Loan (the "Project Loan"; together with the First Mortgage Loan and the Building Loan, the "Loans") made by Lender to Borrower

Dear Mr. Marsal:

Reference is made to the following documents in connection with the Loans:

1. First Mortgage Note dated July 12, 2007 made by Borrower in favor of Lender in the original principal amount of \$24,100,000 (as amended, restated, supplemented or otherwise modified, the "First Mortgage Note").
2. First Mortgage dated July 12, 2007 made by Borrower in favor of Lender, as amended by that certain Modification Agreement (First Mortgage) dated January 24, 2008 (as amended, the "First Mortgage").
3. Project Loan Mortgage dated July 12, 2007 made by Borrower in favor of Lender in the original principal amount of \$24,100,000 (as amended, restated, supplemented or otherwise modified, the "Project Loan Note").
4. Project Loan Mortgage dated July 12, 2007 made by Borrower in favor of Lender, as amended by that certain Modification Agreement (Project Loan Mortgage) dated January 24, 2008 (as amended, the "Project Loan Mortgage").

Reference is also made to that certain Intercreditor Agreement between the Lender and Lehman Brothers Holdings, Inc. (the "Mezzanine Lender"), dated January 24, 2008 (the "Intercreditor Agreement").

Enclosed is a copy of a letter dated May 5, 2009 from the Lender to the Borrower wherein the Lender gives notice of the occurrence of (a) an Event of Default under the First Mortgage and the First Mortgage Note by reason of the Borrower's failure to pay when due interest under the First Mortgage Note in the amount of \$57,541.36 on April 1, 2009 and in the amount of \$55,083.97 on May 1, 2009 and (b) an Event of Default under the Project Loan Mortgage and the Project Loan Note by reason of the Borrower's failure to pay when due interest under the Project Loan Note in the amount of \$2,148.85 on April 1, 2009 and in the amount of \$2,057.08 on May 1, 2009 ((a) and (b), collectively, the "Specified Event of Default").

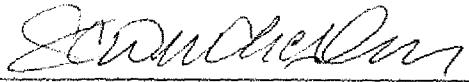
The Lender hereby gives notice to the Mezzanine Lender of the occurrence of the Specified Event of Default.

Pursuant to the Intercreditor Agreement, the Mezzanine Lender has the right (but not the obligation) to cure the Specified Event of Default in accordance with, and subject to the terms of, Paragraph 11(a) of the Intercreditor Agreement.

All rights and remedies accorded the Lender under the Intercreditor Agreement and by applicable law are hereby expressly reserved.

Very truly yours,

CAPITAL ONE, N.A.

By: 
Name: Sean Winchester
Title: Vice President

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cc:

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Attn: Bryan P. Marsal
Managing Director